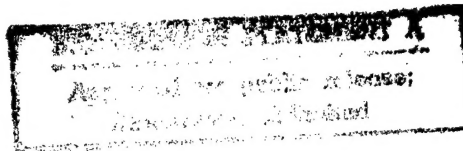


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JPRS 81400

29 July 1982



USSR Report

INTERNATIONAL ECONOMIC RELATIONS

No. 35

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29 July 1982

USSR REPORT

INTERNATIONAL ECONOMIC RELATIONS

No. 35

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USSR WORLD TRADE

COUNTRY'S FOREIGN TRADE, MARITIME TRANSPORT REPORTED

Moscow VODNYI TRANSPORT in Russian 11 May 82 p 2

[Article by Ye. Gekhtbart, engineer, meritorious worker of transport, RSFSR]

[Text] Foreign trade increased by 16.6 percent and comprised 109.7 billion rubles during the first year of the 11th Five-Year Plan. The high reputation of the USSR as a trading partner is well known. Last year 142 countries became trading partners of the USSR in foreign trade contacts. Ships of the Soviet commercial fleet gave a good recommendation for themselves from the best side in worldwide transport routes. They shipped many millions of tons of cargo by contracts of the USSR and the socialist, developing and capitalist countries and also in export of transportation services. Among all types of transport, maritime transport encompasses 47.9 percent to support the foreign trade of the USSR.

Last year more than half (52.8 percent) of the foreign trade of the USSR was with the socialist countries, including 47.8 percent to CEMA countries. The friendly relations between the USSR and Vietnam grow stronger from year to year. Fulfilling their international duty, the crews of ships from the Far Eastern, Primorskiy, Black Sea, Novorossisk and other shipping countries guarantee uninterrupted delivery of cargo to this country. The ports of Vladivostok, Nakhodka and Sakhalin render extensive assistance to dock workers of Vietnam in improvement of cargo operations and acceleration of ship handling.

The foreign trade of our country with the Republic of Cuba, which reached 8.1 billion rubles in 1981, is increasing continuously. Machinery, equipment, transportation equipment and also petroleum products are among the Soviet exports to the island of freedom. Potassium salts, ammonium sulfate, superphosphate, urea, cross-ties, lumber, industrial goods and foodstuffs are also delivered in considerable quantities. The main import to the USSR from Cuba is raw sugar. The Baltic, Black Sea, Novorossisk and Latvian Shipping Companies occupy the leading position in support of foreign trade goods between USSR ports and Cuba.

The international socialist competition between the crews of Soviet ships and the dock workers of Cuban and Vietnam ports and ports of other socialist countries has an important influence on acceleration of ship handling.

The collective of the Soviet Danube Shipping Line makes an important contribution to shipments of foreign trade goods between the ports of our country and the Danube countries--Czechoslovakia, Hungary, Yugoslavia and Bulgaria. Many goods are transported by Soviet shipping companies on the Baltic through transport ties with the GDR and Poland.

In 1980 the volume of foreign trade with the developing countries comprised 12 billion rubles and in 1981 it comprised 16.5 billion rubles. India, Argentina, Iraq, Iran, Afghanistan, Libya, Brazil, Syria, Egypt and Turkey are the largest trading partners of the USSR among developing countries. The USSR is attempting to build economic and scientific and technical cooperation with the developing countries on a basis advantageous to both sides. Ships of the Soviet commercial fleet transport millions of tons of cargo between our country and the ports of these countries. They have participated in delivery of equipment and cargo for the hydroengineering complex in Syria, the second unit of the metallurgical plant in Algeria and bauxite mining enterprises in Guinea.

Petroleum products, lumber, rolled ferrous metals, chemical and other goods were sold by the USSR to the developing countries in 1981. The maritime ships haul tea, spices, tropical fruits, grain, vegetable oils, raw minerals, fuel, machine building products and other goods in the opposite direction.

The foreign trade of the USSR with the industrially developed countries comprised 35.3 billion rubles in 1981 or 32.2 percent of the entire foreign trade volume. West Germany occupies first place among this group of states, followed by Finland, France, Italy and Japan. The economic ties of our country were developed most successfully with those capitalist countries which maintained a realistic course in questions of business contacts with the USSR, specifically West Germany, in 1980-1981 when the United States undertook well-known discriminatory actions directed toward interrupting trade with the Soviet Union. It was no accident during his visit to West Germany that Comrade L. I. Brezhnev emphasized: "Commerce between our countries will increase continuously and become more important."

Barter is beginning to take on ever greater significance when payment for delivered equipment for different enterprises is subsequently made in products from the constructed facilities. A contract was concluded in November of last year for the annual delivery of 10.5 billion cubic meters of natural gas from the USSR to West Germany. A Soviet-French contract signed in Paris in 1982 provides that France, beginning in 1984, will receive 8 billion cubic meters of gas annually. In this case the corresponding countries will deliver to our country pipe, pumping stations and equipment for the gas pipeline. These contracts have been called the transactions of the century in the world press.

Soviet foreign trade organizations have already included large long-term contracts with many companies of West Germany, Finland, France and Italy for mutual deliveries of various products during the 11th Five-Year Plan. Machinery and equipment, including complete sets for many starting facilities in ferrous and nonferrous metallurgy, the chemical, paper-pulp, timber, coal, gas and other sectors of industry, ships and ship equipment and large-diameter steel pipe will be delivered to our country.

Exports from the USSR reached a volume of 57.1 billion rubles in 1981. The specific weight of machinery, equipment and transportation equipment, most laborious for transport by the maritime fleet, comprised 13.7 percent--7.8 billion rubles.

In 1980, 32 countries exported petroleum products. The leading position among the industrially developed countries in purchases of these goods is occupied by France, Italy, West Germany, Finland, Great Britain and the Netherlands, and among the developing countries it is occupied by India. Last year the fraction of fuel and energy goods in USSR export increased somewhat compared to 1980.

The export of timber reached 13.9 compact cubic meters. The Northern, Baltic, Far Eastern, Sakhalin and other shipping companies have at their disposal a large timber-carrying fleet that guarantees delivery of these goods.

Imports to the USSR comprised 52.6 billion rubles in 1981. Of this sum, machinery, equipment and transportation equipment worth 15.9 billion rubles were imported to our country. The cost of ships and equipment delivered to the maritime, river and fishing fleets comprised 1.235 billion rubles.

Foreign trade plays an important role in supplementing the market funds of retail trade for fuller support of the consumer demand of the population. It is reported in a survey of USSR foreign trade, published in the April issue of EKONOMICHESKAYA GAZETA, that 4.2 million tons of raw sugar, 980,000 tons of meat and meat products, 215,000 tons of butter, 556 million eggs, 41,000 tons of coffee, 121,000 tons of cocoa beans, 84,000 tons of tea, 1.021 million tons of fresh fruits and berries and 213,000 tons of fresh vegetables were imported to our country last year. The seamen of the Soviet commercial fleet and the stevedores of the ports, in close cooperation with rail and other types of transport, are making an important contribution with their creative, selfless labor to successful solution of the foodstuff program, transporting, transshipping and dispatching these goods by designation.

Being developed according to a unified national economic plan, the USSR Maritime Fleet has more than 1,700 vessels with capacity from 1,000 to 150,000 tons in its composition as of the beginning of 1982. These are tankers, oil and ore carriers, container carriers, bulk carriers, timber carriers; refrigerator ships, a specialized fleet, marine rail ferries, gas carriers and other vessels. The total deadweight of the maritime fleet exceeds 18.5 million tons. Last year, ships under the flag of our country visited 1,155 ports of 124 countries.

Much attention is being devoted to the shore base of maritime transport. New transshipping complexes and terminals are being put into operation, the stock of transshipping equipment is being supplemented, new ports are being constructed, existing ports are being reconstructed, and large-scale socioeconomic problems of organization of labor, everyday life and recreation of the workers of maritime transport are being solved.

It is planned to increase the foreign trade of the USSR by 22.5 percent during this five-year plan compared to the 10th Five-Year Plan. The maritime shipping

companies take this into account in their long-term and operational plans and in plans for development of the fleet and port facilities, further expansion of the related work with related types of transport and foreign trade subdivisions with respect to continuous unified schedule plans.

Having begun the struggle to successfully implement the tasks advanced by the 26th CPSU Congress, the workers of maritime transport are doing everything so as to transport foreign trade goods on time and completely and to accelerate handling of ships and rail cars. They fully support the sequential course of the Soviet Union toward broad development of international economic cooperation in the interests of maintaining peace, deepening ties and mutual understanding between peoples and of further increasing the well-being of the Soviet people.

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USSR-CEMA TRADE

THIRTY-SIXTH CEMA SESSION HELD IN BUDAPEST

Account of Proceedings

Moscow EKONOMICHESKAYA GAZETA in Russian No 25, Jun 82 pp 9-10

[Account of proceedings of the 36th Meeting of the CEMA Session, held 8-10 June 1982 in Budapest]

[Text] Implementing the principles of the Comprehensive Program for Socialist Economic Integration, the fraternal countries have been augmenting their economic and scientific-technical potential and consistently fulfilling the assignments of 5-year plans. The strategic task of a further rise in the material and cultural standard of living of the population is being performed successfully.

A close unification of common efforts and productive utilization of the advantages of international socialist division of labor are in the interests of all the countries of the commonwealth. Aspects of deepening and expanding the co-operation were discussed by participants in the 36th Meeting of the Session of the Council of Mutual Economic Assistance, which was held in the capital of Hungary.

The meeting took place at the level of heads of government--the delegations were headed by G. Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria; G. Lazar, chairman of the Council of Ministers of the Hungarian People's Republic; Tho Huu, deputy chairman of the Council of Ministers of the Socialist Republic of Vietnam; W. Stoph, chairman of the GDR Council of Ministers; C. R. Rodriguez, chairman of the Council of Ministers of the Republic of Cuba; J. Batmonh, chairman of the Council of Ministers of the Mongolian People's Republic; W. Jaruzelski, chairman of the Council of Ministers of the Polish People's Republic; K. Descalescu, prime minister of the government of the Socialist Republic of Romania; N. A. Tikhonov, chairman of the USSR Council of Ministers; and L. Strougal, prime minister of the Czechoslovak Socialist Republic.

In accordance with the agreement between CEMA and the SFRY Government, a delegation of the Socialist Federal Republic of Yugoslavia, headed by Z. Dragan, deputy chairman of the SFRY Federal Executive Council, took part in the proceedings of the session.

Delegations of the People's Republic of Angola, the Democratic Republic of Afghanistan, the People's Democratic Republic of Yemen, the Laotian People's Democratic Republic, the People's Republic of Mozambique, and socialist Ethiopia took part as observers. The meeting was opened by G. Lazar, who presented warm greetings to the participants in the session. A characteristic feature of the agenda of the CEMA sessions meeting, he said, was that in accordance with the decisions of the communist and worker parties of our countries its principal attention had been concentrated on the tasks of development and on scientific and organizational questions which play a decisive role in meeting the requirements of economic efficiency and intensive development and guarantee stability of planning in socialist countries.

It is extremely important to speed up the process of deepening economic cooperation and to make extensive use of the experience of our countries. Only by joint efforts and only if we raise the level of our effort will we be able to perform the tasks which confront us.

But our session has great importance for other, equally important reasons as well. The fact that in the present tense international situation the most reactionary circles of imperialism want to impose an unrestrained arms race on the world is undoubtedly saying a great deal to progressive public opinion and to political figures endowed with a sense of responsibility. Those circles are undertaking flagrant attacks against the forces of socialism, peace and progress and are attempting to intervene in the internal affairs of other countries, making use of the means of political pressure and economic discrimination which have repeatedly proven to be insubstantial. They are trying to freeze the mutually advantageous economic relations between East and West.

Under these conditions the socialist countries which are members of CEMA are discussing the tasks of peaceful constructive labor and the possibilities of expanding multilateral international cooperation and they are making decisions on which they have agreed.

It is symbolic, G. Lazar stressed, that our session is taking place soon after Comrade L. I. Brezhnev advanced new initiatives of very great importance aimed at ending the arms race. Moreover, he announced unilateral measures which bear irrefutable witness to the firm desire of the Soviet Union for peace and to its intention, having proven with concrete deeds its readiness for negotiations, to promote detente and a return to the path of development of fruitful relations between countries with different social systems.

The proposals of the Soviet Union and its broad-scale steps are encountering the full support of the socialist countries. Along with advocates of peace everywhere on the globe, we welcome and attribute extremely great importance to the announcement that representatives of the Soviet Union and the United States will at the end of this month begin official negotiations on limitation and reduction of strategic arms.

We have repeatedly said how indefensible and irreplaceable an aid it is for the countries of our community to have fraternal cooperation in diverse sectors with the Soviet Union and to take advantage of the abundant experience

which it unselfishly shares with us. We are filled with a sense of pride that in the struggle for peace and social progress and for a better life of humanity we are marching in step with the great Soviet people.

On behalf of all the participants in the session the head of the Hungarian Government conveyed comradely and friendly congratulations to the Communist Party of the Soviet Union, to the Supreme Soviet and to the Government of the USSR and the entire Soviet people, which is building communism, on the occasion of the 60th anniversary of formation of the Soviet Union, which is being celebrated this year.

The session took up consideration of the items on the agenda of its 36th Meeting.

J. Marjai, permanent Hungarian representative to CEMA and chairman of the Executive Committee, presented the report of the CEMA Executive Committee on the council's activity between the 35th and 36th Meetings of the session.

A. K. Antopov, chairman of the Intergovernmental Commission for Coordination of Cooperation Between the CEMA Member Countries and Yugoslavia in the Production of Equipment for Nuclear Power Plants, reported on progress in carrying out the agreement on multilateral international specialization and industrial cooperation and mutual deliveries of equipment for nuclear power stations in the period 1981-1990.

The report of N. K. Baybakov, chairman of the CEMA Committee for Cooperation in the Field of Planning Activity, was devoted to the draft of the program for coordination of the national economic plans of the CEMA member countries for the 1986-1990 period. It also contained information on progress in carrying out measures of cooperation agreed on within the framework of coordination of plans for the 1981-1985 period as well as on additional opportunities for expansion of cooperation.

G. I. Marchuk, chairman of the CEMA Committee for Scientific-Technical Cooperation, centered his report on the draft of the program for cooperation in development and extensive use of microprocessor technology in the national economy of the CEMA member countries in the 1982-1990 period.

Then discussion of the reports presented began in a plenary meeting.

N. A. Tikhonov, chairman of the USSR Council of Ministers, delivered a speech at the session.

The questions being discussed at the present session, N. A. Tikhonov said, have great importance to our country. These are the procedure for coordinating the national economic plan for a future 5-year period, organization of our interaction in certain technically progressive fields, the tasks of CEMA organs in the coming period defined so as to take into account the results of the past year. As noted in the report of the CEMA Executive Committee, in spite of the more complicated conditions for economic development, the fraternal countries, relying on the advantages of the socialist economy and utilizing

the benefits of mutual cooperation, have in the main fulfilled the assignments of the first year of the 5-year plan. We concur in the assessment of the results of economic development in the country and of mutual cooperation presented in the report of the Executive Committee.

This assessment also reflects the situation in the economy of the Soviet Union. On the whole we are satisfied with the results of the first year of the 5-year plan, although the past year has been by no means a simple one for the Soviet economy. We have to overcome difficulties related to such objective factors as the declining growth of labor resources and increased costs of production and transport of fuel and raw materials. Consequences of the third successive crop failure were also evident.

But in spite of all that, thanks to the selfless labor of the Soviet people, an important step was taken on the road toward fulfillment of the decisions of the 26th CPSU Congress and the plan of the 11th Five-Year Plan. The national income of the USSR increased by 14 billion and industrial output by 26 billion rubles. About 200 large enterprises went into operation. Extensive use has been made of intensive factors of economic growth. The measures envisaged by the plan to raise the prosperity of the people were accomplished.

National income and industrial output also increased in the other CEMA member countries. We are gratified that the normal economic process is being gradually restored in Poland.

The vital importance of our cooperation is given vivid confirmation in the fact that most of the import needs of the countries of the commonwealth for the principal fuels and raw materials, machines and equipment are being satisfied on the socialist market. The share of mutual trade in the volume of foreign trade of the CEMA member countries last year rose to nearly 55 percent. This is especially important now that imperialism has undertaken an outright offensive against the forces of socialism, striving to undermine its economic might.

Since the beginning of the eighties the contradictions of the capitalist world have become much sharper, and the international situation has deteriorated. The United States has taken the path of confrontation, is attempting to subordinate the policy of its allies to its own goals, and to adapt the economy and social structures of the developing countries to its own needs. The ruling circles of the United States and certain countries of NATO are ready to sacrifice the process of detente to its own interests. Imperialism is creating a threat to universal peace, intensifying international tension, stepping up the arms race, striving to destroy to its own advantage the approximate parity that exists in the military field.

Under these problematical conditions the Soviet Union is continuing to consistently conduct a principled policy of peace and to strive for fulfillment of the Peace Program adopted at the 26th CPSU Congress. We greatly appreciate that this line is being shared and supported by all the fraternal countries. The new Soviet initiatives toward reduction of nuclear arms and strengthening of security in Europe and averting the threat of a new world war, which have

been advanced in recent statements by Comrade L. I. Brezhnev, have met with widespread response on the part of the progressive community. The Soviet Union has confirmed once again that it is not interested in augmenting its military power. But we do declare clearly and definitely: attempts to achieve military superiority over the USSR are pointless.

The pumping up of the militaristic hysteria in the United States and a number of NATO countries is being accompanied by attempts at strong economic pressure on the countries of socialism. In spite of the principles of the Helsinki document discriminatory measures are being introduced that restrict exports to the CEMA countries and make it more difficult to sell our goods in the West, and existing trade and scientific-technical relations are being unilaterally curtailed. The stratagem is clear: they are hoping to undermine our economy, disorganize economic life and as a result shake the unity of the socialist countries and win political concessions.

It is worth noting that such campaigns against socialism have been undertaken more than once and have always ended in failure. The USSR and the fraternal countries possess sufficient economic might to jointly withstand the intrigues of the imperialist forces. Washington's line of breaking up the mutually advantageous economic cooperation among the countries of the two social systems can only intensify the contradictions within the capitalist economy itself, since it runs opposite to the tendencies in development of the world economy.

The Soviet Union, along with the other countries of the commonwealth, is ready to expand equal economic ties with the West. But in defining our foreign economic policy we cannot, of course, fail to take into account that the United States and those countries which are acting in concert with the American administration are becoming unreliable trading partners for us. Those who are setting up obstacles to development of international trade and attempting to turn it into a weapon of political blackmail ought to think about whether they themselves will not be the losers.

Experience in recent years has motivated the socialist countries to achieve still greater solidarity by reinforcing their own technical and economic independence. We are not referring here to the solidarity which results in isolation from the world economy and an intensification of confrontation. We are speaking of a convergence that guarantees strong and equal economic ties in response to attempts to conduct a policy of discrimination and ultimatum.

Of course, the need for closer economic unification of the countries of the commonwealth is not generated solely by external causes. It follows first of all from the need to speed up the economy's transition to the intensive strategy of development. That necessitates a thorough reorganization of the structure of social production on a progressive scientific-technical basis so as to take into account the mutual complementarity of the economies of our countries. Strategic decisions need to be worked out jointly, the effective directions of production specialization need to be chosen, and scientific-technical capabilities need to be effectively unified. There is also a need for further improvement of the economic mechanism of cooperation.

"Reality itself," Leonid Il'ich Brezhnev noted at the 26th CPSU Congress, "is posing the problem of supplementing the coordination of plans by mutual reconciliation of economic policy as a whole." This is bringing about radical changes in the effort to coordinate national economic plans as well. In speaking in favor of approval of the proposed program for coordination, I would like to state our understanding of the effort which is to be made.

We attribute particular importance to the coordination of plans on a multilateral basis. It is supposed to define the main directions of cooperation over the coming planning period and to help in finding solutions for problems common to the entire commonwealth.

Coordination needs to be carried out so that it has a direct impact on production--the retooling of the economy, the supply of fuel, raw materials, and food to our countries, organization of the production of technology that economizes on resources, and optimum location of energy-intensive production operations. We have long-range target programs for cooperation in these fields; during coordination of plans for the coming 5-year period not only should fulfillment of the measures envisaged in the program be guaranteed, but considerably more progress needs to be made toward improvement and mutual adaptation of national economic structures and the organization of industrial cooperation. In this area we expect to rely on a coordinated strategy for the economic development of the countries of the commonwealth.

Mutual agreement on questions related to creation or development of production capacities in the countries in sectors in which we have a mutual interest are to become a decisive part of the coordination of plans. This will make it possible to agree on measures toward fuller satisfaction of the country's needs for particular types of equipment, supplies and raw materials, and consequently also on measures toward further growth of mutual trade.

It is a matter of paramount importance under present conditions to concentrate energies along the main lines of scientific-technical progress, to build up scientific-technical spadework for production of energy-saving, materials-saving and labor-saving technology, automation equipment and mechanization on the basis of the most recent advances of electronics.

To be specific, the program for cooperation related to microprocessor technology which has been presented for our consideration, and also the agreements which are to be signed on microprocessors, industrial robotics and development of microelectronics will comprise a good beginning for this effort. The Soviet side commands the work done to prepare the draft version of the program which was done by the CEMA Committee for Scientific-Technical Cooperation and is ready to sign the agreements which have been presented.

We are organizing cooperation in the sectors of sophisticated technology which are revolutionizing social production as a whole. That is why development of cooperation in creating and putting into production microprocessor technology and in its most rapid application to all sectors of the economy is becoming not only an economic, but also an important political problem. Indeed the competitiveness of our machines and equipment on the world market depends on its being solved at the earliest date.

The deadlines were very short for drafting and signing the agreements and contracts which detail and state mutual obligations in scientific-technical cooperation, production specialization and industrial cooperation concerning microprocessor technology.

It is equally important to organize cooperation in the development and manufacture of industrial robots and their components. In a number of CEMA countries programs for development of robotics have been adopted and are being carried out. It is anticipated that by 1990 the total number of robots will reach 200,000. But these programs are postulated on differing technical conceptions, which will present difficulties for both organization of cooperative production of industrial robots and also for their use. On the basis of the general agreement which has been concluded, it is indispensable to devise a unified technical policy in this field and to make a broad effort toward adoption of standards and creation of interchangeable components.

Solving the problem of fuel and raw materials is also very closely related to the introduction of up-to-date engineering and technology.

Many CEMA countries are taking effective measures to conserve fuel, raw materials and energy. It is well known that the GDR and Hungary, for example, have managed in recent years to achieve a growth of output at a reduced volume of energy consumption. Significant technical advances in this field have also occurred in the other countries, including the Soviet Union. But the experience gained has not yet become the property of all. The CEMA Committee for Supply of Materials and Equipment and the sectoral commissions should undertake a serious study of the best national know-how and should devise practical proposals for its use.

At present such potential as tightening up standard consumption allowances and combating wastefulness are mainly being used in the conservation of energy and raw materials. In future the main direction, as we are all aware, lies in the creation and widespread application of energy-saving machines and equipment and in organizing their specialized production.

The Soviet side supports the proposal to take up the problems of optimum utilization of fuel, energy and raw materials in the next session of CEMA.

We relate the prospects for the growth of production of electric power in the commonwealth to the development of nuclear power production. We attribute great importance therefore to construction of nuclear power stations in the CEMA countries on the basis of cooperation in production and deliveries of equipment. We are expressing agreement with the measures for cooperation that have been proposed by the intergovernmental commission.

As you know, the plenum recently held of the CPSU Central Committee took up the problems of the further development of the agroindustrial complex in our country and approved the Food Program. Plans call for achievement of the goals outlined in it mainly through mobilization of unused internal potential. The strengthening of the material and technical base of agriculture and the food manufacturing industry will be continued; in the coming 5-year period we

are maintaining for this purpose a high level of capital investments in those sectors. The mechanism for production planning, the management of production and financial production incentives is improving.

Taking maximum advantage of our own capabilities, we at the same time hope that realization of the Food Program will also promote cooperation with the other CEMA countries.

We intend to make broader use of the experience possessed by the individual countries of CEMA, to make the transition from exchange of information to mutually advantageous cooperation in the practical application of advanced technologies. The Soviet side is also interested in the countries which have good experience in processing meat and dairy products and vegetables, sugar beets, oil crops, the production of mixed feeds, the building and operation of refrigerated facilities, storage facilities, elevators, hulling and milling enterprises and industrial bakeries take part in the construction and reconstruction of the respective facilities in the Soviet Union.

We concur in the proposal to take up the questions of cooperation in solving the food problem at the next session of the CEMA.

In recent years there has been a noticeable growth of cooperation of the CEMA member countries with the developing countries. This is a reflection of the consistent course of the socialist commonwealth toward supporting the emancipated states in their fight against neocolonialism and for faster development of their national economy and building international economic relations on a fair and equal basis. We believe that the potential exists for further expansion of such cooperation, above all on a multilateral basis.

During coordination of plans among CEMA countries agreement ought to be reached on cooperation in building and equipping large projects in the developing states and on a collective effort to render them technical assistance. This would make it possible to make more effective use of the funds allocated by the countries of the commonwealth to meet the needs of the developing countries.

Our practical measures helping to consolidate the independence of the emancipated states are taking on paramount importance now that the United States and its allies are intensifying economic expansion in the developing countries.

We consider it necessary to pay particular attention to deepening multilateral cooperation with countries that have chosen a socialist path of development and to make it possible for interested countries to take part in the activity of CEMA so that they gradually keep pace with its effort and strengthen their economic ties with the socialist commonwealth.

Representatives of the interested countries themselves should also take part in this effort. We also support the initiative for concluding between the Council for Mutual Economic Assistance and the interested countries of socialist orientation general agreements which would define the procedure and principles of their relations and would envisage the rendering of aid to those

countries in development of their national economy by the members of the council and measures toward gradual expansion of their participation in our cooperation.

The socialist economy, N. A. Tikhonov said in conclusion, is faced by large and complicated tasks. The decisions which will be taken by this session will promote their performance. Strengthening the unity and solidarity of the countries of the commonwealth and development of socialist integration are opening up a reliable road toward further success in economic construction to the benefit of our peoples and peace and progress throughout the world.

The heads of government who spoke during the discussion of tasks related to further deepening of cooperation noted that the past year has been marked by a rise in the qualitative level of the economic and scientific-technical potential of the CEMA member countries. Having by and large fulfilled the assignments of the first year of the 5-year period, the fraternal countries have strengthened the material base for achieving future development of the socialist economy. Mutual cooperation is one of the important prerequisites that make it possible for them to move forward in their economic development, utilizing the advantages of the socialist system.

This entire set of problems is being solved in the context of a deterioration of world economic conditions, an intensification by the imperialist states of the policy of discrimination, anti-Sovietism and anticommunism, and a course toward undermining the foundations of peace and detente.

In developing and deepening integrational ties in the spirit of the principles of socialist internationalism, the member countries of CEMA, it was emphasized at the meeting, are consistently solving the complicated problems of the conversion of industry to the strategy of intensive development and raising the efficiency of social production. In 1981 the national income increased and industrial output grew in an absolute majority of them. Those sectors which shape structure and guarantee scientific-technical progress in economic efficiency developed at a faster pace. These are above all machinebuilding, the fuel and power industry and the chemical industry.

The principal share of the growth of industrial output has been achieved by raising labor productivity. In spite of the unfavorable weather conditions in most of the countries, production of farm products was by and large maintained at the level of the previous year.

It was noted in the meeting that the economic development and cooperation of the CEMA member countries have confirmed the scientific soundness and correctness of the political and economic course and assessment of prospects for international relations which have been set forth in congresses of communist and worker parties held in the fraternal states.

One of the most important spheres for the joining of efforts is cooperation in the field of planning activity. The work of coordinating the national economic plans for the current 5-year period has been completed. An important

feature should be noted: this work was done in close correlation with the drafting and commencement of realization of the long-range target programs for cooperation in key sectors of material production. Serious attention was paid to further development of production specialization and industrial cooperation on a multilateral and bilateral basis.

The benefits of integration are especially evident in a sphere of cooperation like science and technology. Nearly 3,000 scientific and technical organizations of the CEMA member countries are now participating in it. During the past year alone scientists and specialists have worked on about 1,200 topics through joint efforts. They are now annually creating 200-300 new or improved designs of machines, instruments and equipment and are developing or improving 100-150 manufacturing processes and creating many dozens of types of materials and preparations.

It is important, the speakers stressed, to continue in the future to pay particular attention to specific measures for developing and organizing specialized and cooperative production of industrial robots based on interchangeable assemblies and parts and to make extensive use of microprocessor technology in the national economy.

Integrational ties are being deepened over a wide range. This includes material and technical supply and also such sectors as energy, fuel, raw materials, agriculture, the food manufacturing industry, machinebuilding, radio equipment, electronics, transportation, production of industrial consumer goods and many other spheres of cooperation. The task is to derive maximum benefit from the advantages of the international socialist division of labor.

A meeting of the heads of delegations was held at the session on 9 June. N. A. Tikhonov, chairman of the USSR Council of Ministers, and the heads of the other delegations of the CEMA member countries and the SFRY took part in it.

In the concluding meeting on 10 June the heads of delegations of Bulgaria, Hungary, Vietnam, GDR, Cuba, Mongolia, Poland, Romania, USSR, Czechoslovakia, as well as Yugoslavia, signed the protocol of the 36th Meeting of the session.

A signing was held of the general agreement on multilateral cooperation in the development and extensive use of microprocessor technology in the national economy of the CEMA member countries. A general agreement was also signed on multilateral cooperation in the development and organization of specialized and cooperative production of industrial robots. These documents call for conducting joint R&D projects and for organizing specialized series production of automatic complexes of machines, control systems and instruments. All equipment should be furnished with the most recent electronic devices.

The intergovernmental agreement on multilateral international specialization and cooperation in development and production of basic microelectronic components for pieces of computer equipment, specialized manufacturing equipment and especially pure materials for microelectronics was also aimed at strengthening the foundation for retooling the economy of the CEMA member countries.

Pursuing the course of the communist and worker parties of the fraternal countries toward intensification of production as an important prerequisite for the rise in the prosperity of the people should be promoted by the program for coordination of the national economic plan covering the 1986-1990 period. The session examined it and approved it. The participants in the meeting took it for granted that coordination should be carried out in the channel opened up by agreeing on the economic and scientific-technical policies of the countries of the council, above all in development of interconnected sectors. Provision was made to expand participation in the international social division of labor of such countries as Vietnam, Cuba and Mongolia. This conforms to the need to speed up development and raise the efficiency of their economies.

During the work of the session consideration was paid to how the agreement is being carried out on multilateral international production specialization and industrial cooperation and mutual deliveries of equipment for nuclear power stations. This program of joint projects, which has no analog in the world practice of cooperation, will substantially improve satisfaction of the needs of the fraternal countries for electric power. A great effort has been made to carry out the agreement. The session adopted recommendations for further development of cooperation in the nuclear power field and in production specialization and industrial cooperation in manufacturing equipment for nuclear power stations.

A program of multilateral cooperation in the field of color television was approved in the meeting. It takes into account the growing needs of the population for up-to-date models of household appliances.

A communique being published in the press was adopted.

The decision was made that the next meeting of the CEMA session, the 37th, would be held in 1983 in Berlin.

G. Lazar, chairman of the Hungarian Council of Ministers, presented the concluding address, in which he emphasized that the broad and fruitful exchange of opinions on fundamental aspects of fraternal cooperation will serve toward further deepening and expansion of socialist economic integration.

W. Stoph, chairman of the GDR Council of Ministers, delivered the response.

With that the 36th Meeting of the CEMA Session concluded its work.

Communique Issued

Moscow EKONOMICHESKAYA GAZETA in Russian No 25, Jun 82 p 11

[Communique of the 36th Meeting of the CEMA Session, held 8-10 June 1982 in Budapest]

[Text] The regular, 36th, meeting of the session of the Council of Mutual Economic Assistance was held 8-10 June 1982 in Budapest, capital of the Hungarian People's Republic.

The delegations of the CEMA member countries participated in the session's proceedings and were headed by G. Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria; G. Lazar, chairman of the Council of Ministers of the Hungarian People's Republic, Tho Huu, deputy chairman of the Council of Ministers of the Socialist Republic of Vietnam; W. Stoph, chairman of the Council of Ministers of the German Democratic Republic; C. R. Rodriguez, deputy chairman of the state council and deputy chairman of the Council of Ministers of the Republic of Cuba; J. Batmonh, chairman of the Council of Ministers of the Mongolian People's Republic; W. Jaruzelski, chairman of the Council of Ministers of the Polish People's Republic; K. Descalescu, prime minister of the Government of the Socialist Republic of Romania; N. A. Tikhonov, chairman of the Council of Ministers of the Union of Soviet Socialist Republics; and L. Strougal, premier of the Czechoslovak Socialist Republic.

In accordance with the agreement between CEMA and the Government of the SFRY, a delegation of the SFRY headed by deputy chairman of the Federal Executive Council Z. Dragan took part in the meeting of the session.

Representatives of the People's Republic of Angola, the Democratic Republic of Afghanistan, the People's Democratic Republic of Yemen, the Laotian Democratic Republic, the People's Republic of Mozambique and Socialist Ethiopia took part in the proceedings of the session as observers.

N. V. Faddeyev, secretary of the Council for Mutual Economic Assistance, representatives of CEMA committees and certain international economic organizations created by the socialist countries took part in the proceedings of the session.

G. Lazar, chairman of the Hungarian Council of Ministers and head of the delegation of the Hungarian People's Republic, chaired the session.

The session of the council approved the activity of the CEMA Executive Committee between the 35th and 36th meetings of the session of the Council for Mutual Economic Assistance.

It is noted that in 1981 the CEMA member countries, under the leadership of their communist and worker parties, utilizing the advantages of the socialist system and mobilizing internal resources, took an important step in carrying out the tasks of the current 5-year period and in development of social production. Output grew at a faster than average pace in sectors which determine scientific-technical progress, above all in machinebuilding, electronics, the fuel and power industry, and the chemical industry. Most of the growth of industrial output was achieved by raising labor productivity. In spite of unfavorable weather conditions in a number of countries, the volume of output of agricultural products for the CEMA member countries as a whole in 1981 was held at the 1980 level. Trade among the CEMA member countries increased; last year its share in their total foreign trade was 55 percent.

It was unanimously emphasized at the session that further deepening of cooperation and socialist economic integration and expansion of their mutual

production, scientific-technical and trade ties are playing a growing role in economic development of the CEMA member countries. This cooperation is becoming an ever more important factor in strengthening the positions of the CEMA member countries in the world economy.

The negotiations among the leaders of the fraternal parties and states, including those conducted during the meetings in the Crimea, have had particular importance to strengthening the unity and solidarity of the socialist commonwealth of CEMA member countries and to improvement of their economic and scientific-technical cooperation. Implementation of the understandings reached at those meetings has promoted further development of the economic and scientific-technical cooperation of the CEMA member countries in the interests of successful performance of the tasks of socioeconomic development set by the congresses of the communist and worker parties of those countries.

Over the past year the planned effort has continued to carry out the Comprehensive Program ..., the long-range target programs for cooperation of the CEMA member countries, and the decrees of the session. Much attention was paid in this to the development and organization of specialized production of progressive lines of machines and equipment which have great importance to intensification of the economy, as well as to the problems of a fuller supply of high-quality industrial goods and foodstuffs to the population of the fraternal countries.

The session took note that economic development and cooperation of the CEMA member countries have been taking place under the conditions of a deterioration of conditions on world markets and a more complicated international situation because of invigoration of the policy of force conducted by the imperialist states, the heightening of the arms race and the growth of military expenditures, and intervention in the internal affairs of other countries.

The imperialist circles of the United States and a number of other NATO countries have introduced still more rabid discrimination toward the CEMA member countries in order to exert political pressure and have undertaken to apply "sanctions" and curtail commercial ties with them, especially with Poland and the USSR. The unlawful policy of economic blockade against fraternal Cuba is being intensified.

The declaration recently adopted at the conference in Versailles demonstrates that the principal capitalist countries intend to complicate trade, credit and other economic relations with the CEMA member countries still more.

Confirming the position expressed in the declaration of the CEMA Executive Committee on 22 January of this year, the session resolutely rejects those actions and believes that they are aimed at heightening international tension and hinder development of mutually beneficial peaceful cooperation, are in opposition to the interests not only of the CEMA countries, but indeed those of all the peoples of the world, constitute a most flagrant violation of the generally accepted standards of international life and the principles of the United Nations Charter and Final Document of the Conference and Security and Cooperation in Europe. The session regards as intolerable any intervention in the internal affairs of the Polish People's Republic, a member of CEMA.

It was unanimously stressed that such action will not be successful. The CEMA member countries, reinforcing their solidarity and mutual cooperation, developing ties with other states interested in strengthening peace and international cooperation, are firmly resolved to guarantee their own continued confident development.

The CEMA member countries have rendered and are rendering aid of every sort to the fraternal Polish people in overcoming their economic difficulties and in guaranteeing the conditions for the country's continued socialist development.

The session examined and approved the program for coordination of national economic plans covering the period 1986-1990, which should promote conduct of the course of the communist and worker parties toward intensification of production in the interest of increasing the prosperity of the peoples of the fraternal countries. It was noted that coordination of plans will be supplemented by correlation of economic policy and scientific-technical policy by the interested CEMA member countries. Particular importance should be attributed here to utilizing the possibilities of international socialist division of labor in order to speed up scientific-technical progress and guarantee balanced economic development of the CEMA member countries.

The program calls for strengthening the multilateral approach to solving the principal problems of cooperation and for expanded coordination of capital investments for agreed sectors and projects. Proposals are to be drafted for development of scientific-technical and industrial cooperation and for application on that basis of the advances of science and technology in the key sectors of the economy.

In view of the need to speed up development and increase the economic efficiency of the Socialist Republic of Vietnam, the Republic of Cuba and the Mongolian People's Republic, their broader participation in the international socialist division of labor is envisaged. In accordance with the Comprehensive Program ..., coordinated preferential conditions of cooperation toward those countries would continue in the future.

Attributing particular importance to unification of efforts along the most important lines of scientific-technical progress, the heads of delegations of the CEMA member countries signed general agreements during the meeting of the session concerning cooperation and development and extensive use in the economy of microprocessor technology and also on development and organization of specialized and cooperative production of industrial robots. The program of efforts concerning microprocessors and coordinated measures toward cooperation in the field of robotics, approved by the session, calls for conducting joint R&D projects and for organization of specialized series production of automatic technological complexes of machines, instruments and control systems equipped with the most up-to-date electronic devices.

A multilateral intergovernmental agreement was also signed on aspects of specialization and cooperation in the production of standard microelectronic components for computer equipment and materials and manufacturing equipment for microelectronics.

Implementation of these documents will make it possible to strengthen the foundation for retooling the economy of the CEMA member countries, for automation of production processes in industry and agriculture and many types of operations in the management sphere, and it will make it possible to reduce the application of manual labor, especially in time-consuming and heavy operations, as well as to save energy, raw materials and supplies.

Progress in carrying out the agreement on multilateral international specialization and cooperation in the production and mutual delivery of equipment for nuclear power stations was examined. It was emphasized that implementation of this agreement will substantially improve satisfaction of the electric power needs of the participating countries. The session noted that a great effort has been made in those countries to create specialized production plants and to organize production and deliveries of sophisticated new equipment.

Cooperative production of equipment for installations with water-cooled power reactors with a unit capacity of 1,000 megawatts will begin in the current 5-year period.

The session adopted recommendations for further development of cooperation in the field of nuclear power and specialization and cooperation of production of equipment for nuclear power plants.

The need to intensify cooperation in the conservation and optimum use of fuel, energy and raw materials, including secondary raw materials, was noted in the meeting of the CEMA session. CEMA organs were ordered to prepare proposals on this matter, above all in the field of developing and applying energy- and materials-saving technology and engineering and broader exchange of progressive know-how.

Taking into account the growing needs of the population for up-to-date models of household equipment, the session approved a program for multilateral cooperation in the field of color television. It outlined development and organization of production on the basis of international specialization of new models of color television sets, picture tubes, studio equipment, video equipment, and also the processing equipment necessary for their production and monitoring and measuring apparatus.

Further development of cooperation with the Socialist Federal Republic of Yugoslavia on the basis of the agreement between CEMA and the SFRY, as well as with the People's Republic of Angola, the Democratic Republic of Afghanistan, the People's Democratic Republic of Yemen, the Laotian People's Democratic Republic, the People's Republic of Mozambique and Socialist Ethiopia was noted with satisfaction.

The session emphasized the importance of strengthening cooperation in the field of economics, science and technology with countries oriented toward a socialist development strategy and desiring closer relations with the council, as well as with all the developing countries. In 1981 the CEMA member countries extended economic and technical aid to 92 developing states in order to strengthen mainly the state sector of their economy, to develop natural

resources and to expand the training of local personnel. A decision was adopted on improvement of work within the framework of CEMA concerning multi-lateral cooperation with the developing states.

The aspiration of the CEMA member countries to develop commercial and scientific-technical relations with the capitalist states showing a readiness to cooperate on conditions of equality and mutual advantage, adhering to the relevant principles of the Concluding Document of the Conference on Cooperation and Security in Europe, was confirmed. Successful development of cooperation with the Finnish Republic, including cooperation on the basis of the agreement it has concluded with the Council for Mutual Economic Assistance, was noted in this connection.

The heads of delegations expressed unanimous conviction that consistent and planned deepening of the comprehensive cooperation among the CEMA member countries will continue in the future to promote successful performance by the peoples of those countries of the economic and social tasks confronting them and will promote a relaxation of international tension and contribute to the cause of peace and social progress.

The 36th Meeting of the CEMA Session took place in an atmosphere of unanimity, complete mutual understanding and comradely cooperation.

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CSO: 1825/70

TRADE WITH INDUSTRIALIZED COUNTRIES

LENFINTORG'S PREDOMINANCE IN SOVIET-FINNISH BORDER TRADE

Moscow EKONOMICHESKAYA GAZETA in Russian No 22, Jun 82 p 21

[Article by A. Shevtsov, Leningrad: "USSR-Finnish Border Area Trade"]

[Text] A seminar devoted to the question of development of Soviet-Finnish border area trade was held recently in Leningrad. Representatives of Soviet organizations and more than 20 Finnish firms took part in it.

In opening the seminar, N. P. Pashkov, manager of the Leningrad Branch of the USSR Chamber of Trade and Industry, noted that the more than 20 years of experience in cooperation between the Lenfintorg All-Union Association and Finnish firms indicates the successful development of border area trade.

O. Ye. Rumyantsev, general director of the Lenfintorg All-Union Association, presented in his speech convincing examples of the fruitfulness of border area trade. Whereas in the first year of its operation Lenfintorg's turnover in commodity-exchange operations represented slightly more than half a million rubles, last year it exceeded 88 million rubles. The association now has ties with more than 300 Finnish firms. More than 500 Soviet enterprises and organizations are delivering products to Finland through the channels of border area trade.

The list of goods involved in mutual deliveries is being renewed and expanded. The share of goods with a high degree of processing, for example, building materials and chemicals, is constantly increasing in the exports of Lenfintorg.

Lenfintorg is importing consumer goods and industrial goods. Among the latter we might single out such major items as prefabricated metal structures for various purposes, machines and equipment, and building and finishing materials. In just the last 2 years the association has purchased more than 15 vegetable and potato storage facilities.

Participants in the seminar expressed interest in further expansion of Soviet-Finnish border area cooperation, including development of production relations between enterprises of the two sides.

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CSO: 1825/72

TRADE WITH INDUSTRIALIZED COUNTRIES

SOVIET-FINNISH JOINT FIRMS HIGHLIGHTED

Moscow PRAVDA in Russian 21 Jun 82 p 6

[Article by D. Valovoy and M. Kostikov, Helsinki and Moscow: "USSR-Finland: Developing Cooperation"]

[Text] The white heat of the political life of Finland, which at the end of January entered the period of Mauno Koivisto's presidency, is not abating. There has been a change of administration. But the regular parliamentary elections lie ahead; they are planned for next March. In the spring an entire series of meetings, discussions and seminars devoted to Soviet-Finnish relations were held in Helsinki, other Finnish cities as well as in Leningrad. It is notable that the questions of cooperation between our countries was also not overlooked in the discussion at congresses of a number of political parties held recently in Finland.

Here you are convinced again and again that any events which have any effect at all on relations between the USSR and Finland inevitably arouse a particular interest. And that not only of the Finns themselves, but of their neighbors as well. This is justified if only because over several decades two countries so different in their social system as the USSR and Finland have on every occasion been demonstrating to the entire world examples of newer and newer forms of development of mutually advantageous relations. This interest is also aroused by the fact that over practically their entire postwar history Soviet-Finnish relations have remained stable in spite of the international situation, which has repeatedly become problematical.

In essence they have been a creative development and deepening of the foundation set down in the 1948 bilateral Agreement on Friendship, Cooperation and Mutual Aid, which set up a reliable bridge of trust between the Soviet Union and neighboring Finland. It served as the basis for working out Suomi's course of foreign policy of friendship and good neighborly relations with the USSR, which is known throughout the world as the "Paasikivi-Kekkonen" line.

"Relations like that," Comrade L. I. Brezhnev has remarked, "did not come about all by themselves. They represent many years of purposive work on both sides. As experience has shown, the regular meetings and personal contacts between leaders of the two sides have made a solid contribution to this.... Time--and it is the best judge--has confirmed the fruitfulness of this approach."

The high level of political cooperation and the regular meetings between leaders of the two countries which have become traditional are bearing solid fruits even in such an important area as commercial cooperation. The volume of mutually beneficial trade has increased 45-fold over the last 30 years! Last year the volume of trade exceeded 5 billion rubles, surpassing more than fivefold the volume during the entire first "trade 5-year plan" between our countries in the 1951-1955 period. During his recent visit to the Soviet Union the president of Finland M. Koivisto especially noted the paramount importance of economic ties with the USSR. "The Soviet Union," he declared, "has for a long time been an exceedingly important trade partner of Finland. Even now it occupies a most important place in our exports and imports."

Mutually beneficial commercial relations have begun to develop in recent years at an especially growing pace; this began 5 years ago when L. I. Brezhnev and U. K. Kekkonen, then president of Finland, signed the Long-Range Program for Development and Extension of Commercial, Industrial and Scientific-Technical Cooperation, which was conceived to cover a lengthy period. Confirmation of the great benefit of this step can be found today at practically every Finnish enterprise, firm or company, including such major concerns as "Vyartsilya," "Rauma-Repola," "Nokia" or "Valmet."

There are seven Soviet-Finnish joint companies and firms in Finland. And each of them has its own specific features and traditions. One of them is "Konela." This year the firm, which we had occasion to visit, is celebrating its 35th anniversary. Its working capital has more than doubled over the last 8 years and exceeds 250 million Finnish markkas. Today the firm has more than 2,000 workers and employees.

"And it all began," we were told by Teuvo Rouvali, commercial counselor and managing director of "Konela," "with a small auto repair shop."

On the wall in his office he has a map of Finland with a great number of dots of various colors. This is the ramified network of representative offices, stores, workshops and service stations. The firm's largest import centers, which is one of the most up-to-date, is located in the vicinity of the city of Lappeenranta. Double-tier flatcars arrive here by rail from the banks of the Volga, from the motor vehicle plants in Tol'yatti, Gor'kiy and Ul'yanovsk, as well as from AZLK [Leninist Komsomol Motor Vehicle Plant] in Moscow. "Konela" is delivering to the Finnish market not only "Zhiguli," "Moskvich," "Volga," "Niva" automobiles, but also "KamAZes" as well as technical equipment for vehicles. Every 13th or 14th vehicle on Finland's roads was made in the Soviet Union. The "Lada" ("Zhiguli") is especially popular.

What is the explanation for this? we asked T. Rouvali.

"It is not just a matter of the accessible price," he remarked. "A number of western firms are offering their products on the market at a lower price than ours. The main thing is reliability, good technical figures and the efficiently set up system for service which we furnish our customers."

The joint effort is continuing to create a number of special-purpose vehicles, including ambulances for emergency medical aid and resuscitation, using the chassis of the Soviet vehicles "KamAZ," "RAF" and others.

The aspects of further development of Soviet-Finnish trade and economic cooperation are invariably at the center of attention of the country's business circles. One of the main problems is seeking out unused potential and new projects for this cooperation. Solving this problem rapidly will greatly promote successful performance of certain national economic tasks of our 11th Five-Year Plan and to a considerable degree the development of entire sectors of Finland's economy.

As the statistics show, an economic decline began last year in Finland. The growth of the gross national product dropped from 5 percent in 1980 to 1 percent in 1981. Unemployment, inflation and the overall deficit in the balance of payments have increased. This is all a reflection of the general decline of economic conditions in the West, which is experiencing a serious crisis.

But Finland has been and remains in a more advantageous position than many other industrially developed capitalist countries, since it has such a reliable partner as the Soviet Union, whose share is nearly one-fourth of Finland's foreign trade. In the opinion of Dr Ahti Karyalainen, general director of the Bank of Finland, the growth of the country's gross national product would be considerably smaller or nothing if it were not for the substantial expansion of trade with the USSR. Soviet orders are taking up 50 percent or more of the productive capacities of a number of Finnish plants and firms. All of this is contributing to development of the national industry and is providing jobs to approximately 150,000 people, and is substantially affecting the prosperity of at least 300,000 Finnish citizens.

The long-range program also calls for improved collaboration in the field of cooperative arrangements, a field in which both sides have already gained a certain experience in building large industrial projects. They include the hydropower plants on the Koli Peninsula which have been on line for a number of years now, the Pyaozerskiy Lespromkhoz [timber procurement establishment], and such new construction projects as the pulp and paper combine at Svetogorsk, the mining and ore-dressing combine at Kostomuksha, and hotels in Tallin, Leningrad and Vyborg. In Finland they include the largest metallurgical combine in the northern countries, which is located in the city of Raahе, which produces three-fifths of Finland's pig iron, steel and rolled products; the power stations Takhkoluvoto and Kristina, and the Lovisa 1 and 2 nuclear power stations; and the gas pipeline that was jointly laid to supply our neighbor with Soviet natural gas.

Meetings with political figures and representatives of business circles have repeatedly provided convincing evidence of their great interest in developing and improving the entire complicated mechanism of mutually advantageous relations. Recently much attention has been paid in this area to expansion of industrial cooperation.

K. Kayramo, managing director of "Nokia," the largest private concern in Finland, feels that the experience already gained in the field of electronics and electrical equipment and a number of pieces of communication and data processing equipment is opening up new prospects. The products of the firm, with which our enterprises have strong business ties, have been widely used for some four decades now in various sectors of the Soviet Union's economy. "Nokia," which supplies to the USSR cable products, equipment for the cable industry, communication equipment and electronic equipment, in turn receives from our country the nonferrous metals it needs: aluminum, copper and lead, as well as synthetic rubber and electronic products as well. The concern's deliveries to the USSR over the last 5 years have grown nearly threefold. Nearly half of "Nokia's" exports come to our country.

The American embargo on deliveries to the USSR of certain types of up-to-date technology and equipment has not had the anticipated impact either on Soviet industry or on its cooperation with Finnish firms. As we were told in Finland, only American firms, which have lost orders, have suffered from introduction of the sanctions.

As for the question of the American economic "sanctions" directed against the USSR, which Washington has been arrogantly trying to impose on other countries in Western Europe, Dr A. Karyalainen, whom we have already mentioned and who is at the same time chairman of the Finnish section of the Standing Soviet-Finnish Intergovernmental Commission for Economic Cooperation, said that Finland will develop trade with the USSR regardless of any economic and political changes in the international situation.

We recall from our visit to "Valmet," the country's very large state-owned machine- and shipbuilding concern, the meeting with its managing director Matti Kankaanpää. He told us that "Valmet" today has approximately 20 plants and several subsidiary enterprises in Finland and abroad. It is curious that most of them were established back in the twenties as armaments plants and were subordinate to the defense ministry, as indeed were the shipyards. In 1951 they became the basis of the "Valmet" concern and almost entirely converted to manufacturing peacetime products. For instance, the plant at Jyväskylä, which once manufactured artillery guns, has been far more successful in production of papermaking machinery.

"Our concern," M. Kankaanpää continued his story, "is one of the pioneers in Finnish-Soviet cooperation. That cooperation is so broad now that it is difficult to enumerate all its fields. The portfolio of Soviet orders totals 514 million rubles, and deliveries are scheduled up to 1985. The products of our shipbuilders occupy the principal place among them. Recently we signed still another contract in Moscow for delivery of metal-cutting machine tools and semiautomatic production lines to the USSR."

We visited the concern's shipyards, located on Vuosaari Island. In the dock were two multipurpose icebreaker-freighters ordered by the Soviet Union and intended for operation under Arctic conditions at temperatures 50° C below freezing. The "Valmet" concern has up to now built more than 500 various vessels on Soviet orders. Today they are operating in practically all the seas and oceans.

"We install Soviet equipment on our ships," says M. Niini, head of the firm's export division, "diesel engines, radio navigation systems, electrical equipment. This is cooperation in action."

We were also afforded the possibility of examining the operation of other enterprises in Finnish industry located on the west coast and the east of the country, in industrial centers and in the small and homey and pleasant little places in Suomi.

The desire of Finland's business circles to expand cooperation with the Soviet Union, including cooperation in such a promising field as industrial cooperation--these are the basic impressions which we carried away from these meetings. Now one of the most important questions consists of mutual information on new technical inventions and improvements. The sooner the designs are commercially applied and the greater the competitiveness of those of them which both sides can take up solid positions on the markets of third countries, the greater will be the economic benefit from this.

The need for this is dictated today by life itself, by the entire experience of our commercial and economic relations, whose development has been affording Finland and the USSR ever more solid fruits, as it will undoubtedly continue to do.

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TRADE WITH INDUSTRIALIZED COUNTRIES

SALZGIETTER AG BOARD CHAIRMAN INTERVIEWED

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 21 May 82 p 3

[Interview with Ernst Pieper, chairman of the board of Salzgietter AG, by Vitaliy Dolgikh, West German correspondent of SOTSIALISTICHESKAYA INDUSTRIYA: "Salzgietter Favors Trade"; date and place not specified]

[Text] The concern Salzgietter AG is among the largest enterprises in West Germany. It produces about 1,200 different products--from gas tankers, electronic measuring instruments, and steel sheets for the motor vehicle industry to "turnkey" industrial plants. It maintains commercial relations with more than 100 countries in the world.

The interview of Ernst Pieper, the concern's board chairman, was conducted by SOTSIALISTICHESKAYA INDUSTRIYA's own correspond in West Germany Vitaliy Dolgikh.

[Question] Mr Pieper, the voices predicting a freezing or even a reduction of trade between East and West have become stronger recently in circles of the federal economy. The opinion is spreading that deals in "hard times" should supposedly be avoided. In your opinion does this kind of statement correspond to the real state of affairs, and how would you assess the prospects of West German trade with the European countries of CEMA in the eighties?

[Answer] The Federal Republic's trade with the socialist countries has had a strong phase of growth: in the 1970-1980 period our exports grew 242 percent--from 14.2 to 48.6 billion marks. Last year also recorded a plus: the volume of trade increased 5.3 percent and reached 46.9 billion marks. It is increasingly obvious that the possibilities of our trade have shrunk. This especially applies to our exports. Last year it showed a loss for the first time. I would include among the reasons the present unhealthy political climate and various economic and financial difficulties on both sides. When we examine trade with the socialist countries in the medium-term and long-range time frame, I see large prospects for its further development if only because both sides can offer to one another many things they need.

[Question] Treaties have been concluded recently between the FRG and the Soviet Union on long-term economic and scientific-technical cooperation. Mr Pieper, what chances do you see, especially for your enterprises, of carrying out the program outlined in those treaties?

[Answer] In spite of the complications that exist, I do not see that damage has been inflicted on carrying out the treaties concluded between the FRG and USSR on long-term economic, technical and scientific cooperation. The Salzgietter concern will continue to be ready to cooperate within the limits of its abilities in carrying out projects related to development and shipment of raw materials and fuels from Siberia, for example.

[Question] Mr Pieper, the Salzgietter's enterprises have in recent years participated in construction of numerous industrial projects in the Soviet Union. At the same time it is no secret that contracts have not resulted from all of your proposals. What do you see as the main obstacle to successful participation on the Soviet market?

[Answer] As a matter of fact recently Salzgietter has not had success in concluding certain contracts in spite of all our efforts. I would mention only the transaction for construction of a metallurgical combine at Zhlobin (USSR), which was awarded to Austrian competitors only because of more favorable terms and conditions for long-term credit financing. As a matter of fact, we must draw conclusions from this and in future a sizable portion of the projects we propose would be on behalf of our foreign suppliers, who have obtained export subsidies from their own governments. We will continue in the future to strive to conclude contracts. The Federal Republic must study the question of whether it ought to devise an instrument that would promote exports so that exporters would have the same chance at the outset as their competitors.

[Question] To what extent can business circles help to reduce the restrictions that exist in trade with the Soviet Union, in preventing penalties and embargoes, and in normalizing economic relations between our countries?

[Answer] On the basis of my own experience I can say that intensive economic ties help to improve political relations. And vice versa. The policy of détente has promoted a strong development of trade between East and West. As experience shows, there is little to be gained from embargoes.

[Question] The Salzgietter concern is loyal in its behavior and respects the law and understandings. This applies both to deliveries of computers and microprocessors, which are an integral part of machines and equipment being exported. In certain cases complications are quite possible in this area, as has already occurred in the past, but the transfer of technology as such must take place. Incidentally, we intend to take advantage of the opportunities afforded us on this question. In other words: we will undertake to conclude those transactions which are permissible and which afford us profit.

[Question] The international division of labor and uneven distribution of natural reserves of raw materials and fuel create a certain economic dependence between countries. How do you evaluate this dependence in East-West relations, Mr Pieper, and in particular between the FRG and the Soviet Union?

[Answer] The Soviet Union and the Federal Republic, in line with their initial economic positions, are partners whose interest coincide in important sectors: we have an acute need for raw materials and energy, of which the

Soviet Union possesses abundant reserves, and we export mainly high-quality equipment and technology which are important to the further economic development of the USSR.

[Question] Some 60 years ago the economic circles of our countries found the road to mutually advantageous cooperation by means of what was called the Rapallo Treaty. What stands in the way of making our economic relations in the eighties still closer and of deepening them, adopting an orientation toward our own markets and cooperation with third countries?

[Answer] I am convinced that trade between East and West, in spite of temporary interferences, will continue in future to develop in the long run. It is quite obvious that there is still a potential which can be mobilized and in particular that the importing capabilities of the socialist countries can be expanded. We should also mention here the strengthening of cooperation with third countries which you have mentioned, as well as increasing trade in licenses, close scientific-technical cooperation or joint development, manufacture and sales of new goods.

[Question] Mr Pieper, how do you evaluate the chances of your enterprise on the Soviet market and the market of other countries of CEMA, and what initiatives do you anticipate on your own side in this respect?

[Answer] Salzgietter has earned confidence on the part of the socialist countries, and I am convinced that that will serve as capital which will also bring interest. I would mention several directions in which we see chances for ourselves in making deliveries and in engaging in cooperation: equipment for the fuel and power industry, transportation and machinebuilding. We assume that our transactions involving steel will be successful as in the past. There is reason to hope that the Soviet Union will use the currency received from increasing gas exports to purchase goods in the FRG.

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TRADE WITH INDUSTRIALIZED COUNTRIES

BRIEFS

BELGIAN BANK OPENS BRANCH--The last decade has been marked by the rapid growth of mutually advantageous foreign trade relations between the USSR and Belgium. For instance, in 1981 Soviet-Belgian trade amounted to 12 billion rubles, as against 149 million rubles in 1970. This growth was made possible to a considerable degree by the expanded activity of Soviet-Belgian joint stock companies in Belgium and the branches of Belgian firms in Moscow. Recently the Belgian bank Societe Generale de Banque, which has been collaborating closely and fruitfully with Soviet financial institutions, opened a branch a few days ago in Moscow. The bank's honorary chairman (A. Coppe) visited Moscow on the occasion of the opening of the branch. (A. Coppe) was received by V. S. Alkhimov, chairman of the board of the USSR State Bank. They discussed aspects of the further development of Soviet-Belgian business cooperation. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 12, Mar 82 p 20] 7045

USSR-DANISH TRADE--The 12th Session of the Soviet Danish Intergovernmental Commission for Economic and Scientific-Technical Cooperation was held in Moscow from 19 to 22 April. It took up questions of the economic and scientific-technical cooperation between the two countries in the period since the 11th Session. It was noted that this cooperation has been developing favorably. Trade has grown considerably, and a more vigorous effort was made to hold symposiums and to participate in exhibitions. Consideration was also given to a broad range of aspects of scientific-technical cooperation. It has been developing most successfully in the field of machinebuilding for the food manufacturing industry, instrumentmaking, agriculture, the chemical industry and certain other sectors. Possibilities were discussed for development of cooperation between Soviet organizations and Danish enterprises in various branches of industry and agriculture. A protocol was signed concerning the results of the session. The Soviet governmental delegation was headed by N. N. Smelyakov, chairman of the Soviet section of the commission and deputy minister of foreign trade, while the Danish delegation was headed by Ye. M. Barfoyed, chairman of the Danish section of the commission and chairman of the Danish committee for economic and industrial cooperation. N. G. Yegorychev, USSR ambassador in Denmark, and P. D. Steyenberger, Danish ambassador in the USSR, took part in the proceedings of the session. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 82 p 19] 7045

ITALIAN ENI ANNOUNCES DEALS--A press conference was held in the representative office of the Italian state petroleum and gas concern ENI in the USSR for

Soviet journalists on the results of development of the concern's business relations with Soviet foreign trade organizations in 1981. M. Reali, head of the office, who spoke at the press conference, said that the concern's turnover with USSR foreign trade organizations in 1981 reached nearly \$2.2 billion, which slightly exceeds half of the entire volume of foreign trade between the Soviet Union and Italy. Among the goods which the concern has purchased in the USSR, M. Reali said, petroleum, petroleum products and natural gas are the most important, but recently the products of natural gas refining have also been imported. ENI in turn delivers to the USSR equipment for the petroleum, gas and chemical industries. Scientific-technical cooperation has been developing successfully with Soviet departments and institutions in a number of sectors of the economy. The 11th Five-Year Plan for development of the national economy, which is being carried out in the USSR, and also the abundant experience of nearly a quarter of a century of mutually advantageous cooperation between ENI and Soviet organizations and the interest of the two parties in partnership, M. Reali emphasized in his conclusion, constitute a firm foundation for a further substantial expansion and enrichment of their business ties in the years immediately to come. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 82 p 19] 7045

USSR-NORWEGIAN TRADE--The Ninth Session of the Soviet-Norwegian Intergovernmental Commission for Economic, Industrial and Scientific-Technical Cooperation has been held in Oslo. The commission noted the generally favorable development of trade and economic relations between the two countries in recent years. In 1981 Soviet-Norwegian trade grew considerably and amounted to nearly 148 million rubles. The session discussed the specific proposals for Soviet-Norwegian cooperation, in particular possible mutual deliveries of metallurgical equipment, deliveries of Norwegian equipment for construction of gas and petroleum pipelines, cooperation in the field of electronic computers, data processing and control systems, and fish-finding, navigation and marine equipment. Consideration was also given to the possibilities of cooperation in the field of developing petroleum and gas deposits on continental shelves. A number of contracts for delivery of marine equipment to the USSR from Norway were signed during the work of the session. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 20] 7045

ITALIAN EQUIPMENT--One of the leading trading partners of Soviet foreign trade associations in Italy has been the concern Montedison on the basis of 1981 results. "We began business cooperation in the USSR 50 years ago," said (K. Tal'yap'yetra), head of the firm's Moscow representative office, in his talk with journalists, "and even then it was quite vigorous. In the fifties and sixties Montedison delivered to the Soviet Union equipment for the production of automobile cord, ammonia and other chemical products. In 1973 our cooperation began on a compensation basis, which we consider very promising. In the framework of a general agreement with the USSR Ministry of Foreign Trade, we have delivered equipment for seven plants for the production of various chemical products in exchange for delivery of a portion of the output from those enterprises, and now we are carrying out contracts for delivery of two more plants for the production of dyes." [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 20] 7045

FINNISH SHIPBUILDING--Under a contract between the All-Union Foreign Trade Association Sudoimport and the Finnish stock company (Kholmimg) the shipbuilders of that firm have completed construction for the USSR of a series of 12 vessels of the river-sea type when they launched the "Sibirskiy 2131" dry-cargo freighter. The vessels of this series are intended for navigation on Siberian rivers. At the present time (Kholmimg) is carrying out contracts for delivery to the USSR of the succeeding lots of river-sea vessels and push-boats. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 20] 7045

BUSINESS RELATIONS WITH FRG FIRMS--Under contracts between the All-Union Foreign Trade Associations Stankoimport and Energomasheksport and the West German firms Magra GmbH and Messer Greisheim a large lot of bearings of different types and sizes and a lot of gas cutting machines will be going to the FRG from the USSR. The contract between the All-Union Foreign Trade Association Tekhnopromimport and the firm Karl Schenk (FRG) provides that equipment will be delivered to our country for the cement industry. That firm recently opened a representative office in Moscow. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 21] 7045

TEXTILE MACHINES EXPORTED--Under a contract signed between the All-Union Foreign Trade Association Tekhmasheksport and the French firm (Bussak Sent-frer), which is part of the company (Agash Viyo), which is an exporter of Soviet textile equipment, 50 flax-spinning machines will be delivered from our country to France. The company has opened an exhibition hall in Lille where purchasers can see more than 30 models of Soviet textile machines in operation and obtain the necessary information concerning their operation. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 21] 7045

USSR-SWEDISH BUSINESS COLLABORATION--Business ties have been maintained for about 15 years between Soviet foreign trade associations and the well-known Swedish concern Sandvik, whose subsidiary firms are producers of steel, pipe, articles of hard alloys (cutting tools, drilling bits, and wear-resistant parts). These contacts, the concern's vice president (K. Kh. Khenrikson) noted in a meeting with journalists, have always been mutually beneficial in nature and have been developing consistently. Evidence of this is the opening of the concern's representative office in Moscow. "We have been collaborating especially successfully with Stankoimport, Avtopromimport and Promsyr'yeimport. Our assets include contracts with them for delivery to the USSR of equipment for production of hard-alloy blades which are not resharpened, hard-alloy tools, cold-rolled strip and pipe. Scientific-technical cooperation is also of great interest to both sides. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 20, May 82 p 21] 7045

CSO: 1825/72

TRADE WITH LDC'S

SOVIET ECONOMIC, TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES

Moscow APN DAILY REVIEW in English 9 Jun 82 pp 1-5

[Interview with Semyon Skachkov, chairman of the State Committee of the USSR Council of Ministers for Foreign Economic Relations, by a NOVOSTI PRESS AGENCY (APN) correspondent; date and place not given]

[Text] Q: A pressing matter for all the newlyfree countries without exception is the establishment of just international economic relations. To what extent, in your opinion, does Soviet economic and technical assistance to development meet the requirements of the young states?

A: We believe--and it is our principled approach--that the young states should be the full masters of enterprises built with foreign assistance. This is indispensable in equal cooperation. The developing countries do not have a single enterprise belonging to the Soviet Union. Our country does not participate in the sharing of the profits earned by enterprises, put up with its help, and makes no bid to manage them. The rendering of considerable diversified technical aid to the young states in the development of the key sectors of their national economies, and the provision of credits for this purpose when needed and at profitable terms--such an approach, in our opinion, should lie at the basis of international economic relations.

Q: What are the characteristic features of Soviet assistance to the young states?

A: First of all, economic and technical assistance is given to the state sector of the economies of the newly-free countries, and, usually, on the long-term and firm basis of intergovernmental agreements. Incidentally, their number has grown from six in 1957 to 65. The concentration of a sizable part of the means of production in the hands of the state objectively creates conditions for resisting the transnational corporations. It permits the country to dispose of its natural wealth independently. The state sector allows the use of elements of long-term planning, and its development, naturally, meets the interests of the overwhelming majority of the population in the developing countries.

The interstate nature of cooperation facilitates the implementation of large-scale projects, like, for instance, the High Aswan Dam in Egypt and the Euphrates hydropower complex in Syria, and the creation of entire industrial

complexes of paramount importance to the national economy, like, for instance, the iron and steel and power complexes in India. In other words, we are talking here about aid in implementing vital national projects, making up, in a number of cases, the foundation of the leading sectors of the economy and, thereby, ensuring the accomplishment of a major task of independent development.

Another feature of Soviet assistance is its production trend. More than 80 per cent of all the Soviet technical aid to the newlyfree countries is earmarked for their industries and the development of their mineral deposits, whereas the share of allocations for industrial projects provided by the West to the newlyfree countries within the framework of programmes of bilateral "government development aid" amounted to only 6.1 per cent in 1979.

Q: What are the main directions of Soviet assistance to the developing countries of Asia, Africa and Latin America?

A: The structure of Soviet economic aid primarily takes into consideration the needs of the governments of these countries, proceeding from the conception of sociopolitical and economic development which they have selected. Soviet assistance is mainly directed at setting up industrial and power capacities, developing agriculture and mineral deposits, and training native personnels. The Soviet Union also gives a helping hand in the development of the health service, the construction of public buildings, dwellings, public utilities, transportation and communication systems, etc.

Over the years of their cooperation with the Soviet Union and with its assistance the developing countries have put into operation power stations with an aggregate capacity of 7.7 million kw, and enterprises with a production capacity of 12.4 million tons of pig iron, 10.2 million tons of steel, 7.5 million tons of rolled metal, 67.3 million tons of oil, 4.8 million tons of coal, 2.5 million tons of bauxite, etc.

Q: Which major projects could you name as examples?

A: I would like to mention the pioneer project of Soviet-Indian cooperation. It is the Bhilai metallurgical works, which over the years of its operation up till the beginning of this year has smelted 37.5 million tons of steel and turned out 30.2 million tons of rolled metal. By the beginning of this year, the National Oil and Gas Commission of India, set up with the help of Soviet organisations, ensured the output of more than 80 million tons of oil and 11,000 million cu.m. of gas. This has spelt a flow of funds to the budget of the central government of India and a considerable saving on oil imports.

The work of other major state-owned enterprises, built in the developing countries with the help of the Soviet Union, has been equally effective. For instance, the biggest project of Soviet-Syrian cooperation, the Euphrates hydropower complex, accounts for about 70 per cent of all the electrical energy consumed in Syria. Thanks to the much cheaper cost of electric power generated by the Euphrates station than that generated by other power stations of the country, all the expenses involved in its construction, completed in 1978, were repaid in the very first years of its full-capacity operation.

The Soviet Union is lending assistance in the construction of one of the largest industrial projects in Tropical Africa, a full-cycle steel works in Nigeria. It will have a capacity of 1.3 million tons a year with a possible increase to 5 million tons.

Q: You have mentioned the principle of mutual advantage in the Soviet Union's cooperation with the developing countries. How is this carried out in practice?

A: I would like to say that it is one of the basic principles of the Soviet Union's economic ties with all foreign countries. One of the ways this is put into practice is the creation in those countries, with our help, of such lines of production in which both sides are interested. This cooperation on a buy-back basis helps to enhance the external solvency of the newly-free countries and boost their export potentiality. It ensures the enlistment, on a mutually advantageous basis, of resources of other countries for the strengthening of the national economy and the possibility of paying for rendered technical assistance. This practice fully meets the requirements of the developing countries on the restructuring of international economic relations.

In exchange for its technical aid, the Soviet Union purchases the traditional exports of the developing countries, as well as the finished products of their new industries, including the machine-building industry. This promotes trade and enlarges the market for commodities of the young states.

Q: The training of native personnels is a very acute problem of the newly-free countries. What has been done and what will be done by the Soviet Union to solve it?

A: The developing countries today have about 900,000 engineers, technicians and skilled workers, who have been trained with our assistance. The Soviet Union has committed itself to found more than 240 educational establishments of different kinds: 149 of them are already functioning in 26 countries. Assistance will be given both in the construction of institutes, industrial schools and training centres and to the training of native personnel by Soviet specialists in the period of construction and operation of different cooperation projects. Besides, thousands of citizens of Afro-Asian and Latin American countries will receive a vocational, secondary specialised and higher education in the Soviet Union. The training of native personnels with the help of the Soviet Union will certainly facilitate the strengthening of the economic independence of the newly-free countries.

Q: Lastly, what are the prospects of the Soviet Union's cooperation with the newly-free countries?

A: In the coming years, like in the past, cooperation will centre on ferrous and nonferrous metals and on power. Taking the fuel and energy sectors, and particularly coal and oil, into consideration, these industries will account for more than 75 per cent of all deliveries of sets of plant and materials from the Soviet Union.

In the period of 1981-1985, the developing countries, with the Soviet Union's assistance, will, in comparison with the previous five years, increase their production capacities of power by 20.6 per cent, steel, by 50 per cent, and coal, by 260 per cent.

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